

1 The Underdevelopement of El Salvador's Human Resources

2 Dr. John D. Theodore

3 *Received: 9 December 2015 Accepted: 4 January 2016 Published: 15 January 2016*

4

5 **Abstract**

6 The purpose of this article is to expose the reasons for the underdevelopment of the human
7 resources in El Salvador. The problem of underdevelopment started with the employment of
8 the manpower in coffee plantations, a situation that did not necessitate the development of
9 the workforce. Adverse economic conditions, poverty, bad working conditions, unemployment,
10 underemployment, and no access to basic education added to the underdevelopment of the
11 human element. Currently, the government is providing incentives for the education of
12 manpower, especially in the area of small and medium-sized business organizations that make
13 up the majority of private enterprises in the country.

14

15 **Index terms**— training, education, small businesses, medium businesses, large businesses, coffee plantations,
16 coffee economy, maquiladoras, unemployment, underemplo

17 **1 Introduction**

18 according to the Ministry of Economics of the Republic of El Salvador, one characteristic of the human resources
19 employed in the private sector of the economy-and in all sectors in general-has been the underdevelopment of
20 the human element (Plan Estratégico De Conamype: ??2015] ??2016] ??2017] ??2018] ??2019] ??2015).

21 The same concern was also expressed by officials of institutions of higher learning in the country who are
22 responsible for training and developing the labor force employed in the small and medium-sized business sector and
23 in the rest of the employment sectors (Pocasangre, G. Professor of Small Business. Universidad Centroamericana,
24 San Salvador, El Salvador. Personal Interview on ??July 2, 2015). The underdevelopment of the human resources
25 dates back to the formation of the nation. No serious attention was paid to the above-cited problem until the
26 turn of this century.

27 El Salvador is the smallest Spanish-speaking nation in the American Hemisphere, it is located on the Pacific
28 Ocean coast of Central America and it is the only nation in the region that does not have access to the Atlantic
29 Ocean. El Salvador won its independence from Spain in 1821 and was a part of the United Provinces of Central
30 America, which was eventually dismembered and gave birth to the five Central American republics of The Original
31 cause of the Underdevelopment of the Human Resources

32 During the Spanish colonial period (1500-1821), in the geographic area of what is now El Salvador, coffee
33 cultivation was the foundation and infrastructure of the economy. Practically all employed persons worked
34 in coffee plantations; the same situation continued after the country's independence to the end of the 20th
35 century. The coffee plantation owners had no need or desire to improve the quality of the manpower working
36 under subsistence conditions (Lopez, & Rodolfo, 2010). Therefore, the underdevelopment of the labor force was
37 solidified and became a chronic characteristic of the nation's human resources. During the same period of time, in
38 the United Kingdom and the United States, agriculture's primary importance was replaced by industrialization
39 which created private industrial business organizations whose owners, managers, and employees had easy access
40 to abundant public education. Institutions of higher learning had curricula in economics and business that were
41 easily available to the masses in both nations (Theodore, 2011).

42 **2 III. Subsequent Forces that Affected the Underdevelopment 43 of the Labor Force a) The Economy**

44 The decade of the 1960s was characterized by El Salvador's desire to enter into the Central American Common
45 Market with the other Central American states. Lamentably, economic activities in the country declined until

5 EFFORTS FOR THE DEVELOPMENT OF HUMAN RESOURCES

46 the end of the 20 th century due to social and political instability. Economic instability was very visible in the
47 1980s due to the civil war that destroyed many areas of the socio-economic fabric of the nation. The Central
48 American Common Market was eventually disintegrated, a situation that caused more economic problems.

49 From the last decade of the 20 th century to the end of the 2010s, a series of privatizations took place
50 transferring state-controlled enterprises to privately-held ones. This change did not help the economy due to the
51 lack of supportive legislative enactments and the weak implementation of competitiveness in the overall domestic
52 market (Molina, (2007). A Competitiveness Supervisory Agency (La Superintendencia de la Competencia) was
53 created in order to increase the performance of mechanisms conducive to better competitiveness. The benefits
54 from this agency were minimal due to the lack of effective, efficient, and timely implementation of the needed
55 projects.

56 The structure and performance of the domestic market has been continuously weak. The Central American
57 Common Market resulted in the creation of monopolies and oligopolies in the country which worked against
58 free and open competition, made the entrance of competitive enterprises difficult, and drove existing competitive
59 firms out of business (Lopez, 2008).

60 The continuous loss of competitiveness in the national economy has impeded the development of manpower in
61 all economic areas. In general terms, the slow growth of the economy has retarded all the factors of production
62 (Panate, 2012). Weak and declining economic activities, lack of government support, and a non-competitive
63 domestic market has played a negative role in the development of the human resources in El Salvador.

64 3 b) The Labor Market And Working Conditions

65 During the colonial period, workers were not permitted to work freely; they were part of the property of the
66 owners where they worked. After independence, workers were able to sell their services to employers in all areas of
67 economic activities (Molinas y Morales, 1981). In the second part of the 1800s a survey of the classification of all
68 types of manpower took place. The majority of the employed persons were engaged in agriculture (Arias-Penate,
69 2014 a). With the increase in exportation of agricultural products, the need for agricultural workers increased, too.
70 Therefore, more people found jobs in the agricultural sector and the labor force continued being underdeveloped.

71 The labor force was also negatively affected by natural disasters; for example, between 1998-2012 several
72 natural disasters resulted in the destruction of property and the death of more than 1,381 people (Arias-Penate,
73 2014 b). In addition, continuous external wars and internal armed conflicts that the country experienced during
74 its history have adversely affected the development of its human resources (Lindo-Fuentes, 1990).

75 In the second part of the previous century the growth of cities started which resulted in the appearance of
76 small and medium-sized enterprises whose revenues were lower than the minimum salary paid to employed persons
77 (Lindo-Fuentes, 1990). In the 1990s, the appearance of maquiladoras demanded workers whose number increased
78 to 210,000 during the first decade of the present century (Schneider, 2013). This type of employment required
79 semi-skilled employees, but no sufficient improvements through training and education took place. Although
80 some improvements have taken place in the provision of basic education to the masses, there are still problems
81 in the quality and availability of elementary education and the preparation of students to enter into secondary
82 education (Martinez-Penate, 2004). The agricultural employment of the human resources, natural and man-made
83 disasters, and the low quality of basic education also played a negative role in the development of the human
84 factor.

85 4 c) Poverty

86 Poverty among the ranks of the population of El Salvador has permeated the country since colonial times. During
87 the first decade of this century more than 500,000 families live in poverty and another 20% in extreme poverty
88 (Schneider, 2013). After a century of export-led growth, industrial development has not occurred and most
89 Salvadorans are still living in poverty (Paige, 1998). In addition, unemployment and underemployment have
90 been serious problems. In the first decade of this century, unemployment was around 7% but underemployment
91 was 30% of the total labor force (Martinez-Penate, 2004). Chronic poverty, unemployment, and underemployment
92 also contributed negatively the development of human resources in the country.

93 IV.

94 5 Efforts for the Development of Human Resources

95 The Ministry of Economics has created a number of agencies that are responsible for the training of the human
96 resources in all private enterprises with strong emphasis upon the small and medium-sized ones. In addition,
97 it has contracted institutions of higher learning that provide basic and advanced training and education for the
98 owners, managers, and employees of enterprises. Education in the areas of economics and business has been a
99 recent event in El Salvador and all Latin America because the Roman Catholic Church had an antipathy toward
100 mundane wealth and an aversion toward business people, an idea that was inherited from Aristotle. However,
101 after the end of World War II the Vatican changed its position and started to support the teaching of economics
102 and business administration curricula in secondary and higher education (Theodore, 1999). The government of
103 El Salvador is providing incentives for the continuation of education and the training of the owners, managers,
104 and employees of business organizations. The progress, however, is slow but it is moving positively.

105 The present writer would like to see the addition of curricula in sociology, politics, history, and cultural
106 geography into the educational and training curricula of the owners, managers and employees of businesses
107 because the nation is now involved in global and hemispheric industrial, commercial, and overall economic
108 activities. Such curricula will amplify and broaden the overall training and educational offerings for the benefit
109 of El Salvador's human resources (Theodore, 2012).

110 **6 V. Conclusions and Recommendations**

111 The agricultural infrastructure of El Salvador's manpower, weak and declining economic activities, lack of
112 government support, a non-competitive domestic market, natural and man-made disasters, the low quality of
113 basic education to the masses, chronic poverty, unemployment and underemployment have negatively affected
114 the development of human resources in the country. The government of El Salvador, through its agencies and
115 institutions of higher learning, is now providing both training and education for the development of the human
116 resources of the nation.

117 **7 This page is intentionally left blank**

118 1 2

119 [Arias-Penate ()] ‘Agricultura familiar e industrial ización sustentable’. S Arias-Penate . San Salvador. Talleres
120 Gráficos UCA 2014.

121 [Paige ()] *Coffee and Power*, J M Paige . 1998. Cambridge, MA: Harvard University Press.

122 [Molina ()] *Condiciones generales en la competencia en países centroamericanos: Caso de El Salvador*, F Molina
123 . 2007. Ciudad de Mexico. CEPAL

124 [Plan Estratégico De Conamype and Schneider ()] *Construcción del Estado y regímenes fiscales en Centroamérica*,
125 ; Plan Estratégico De Conamype , A Schneider . 2015-2019, 2015. 12. 2013. (Ciudad de Guatemala. F & G
126 Editores)

127 [Theodore ()] *Culture and the development of management: An international example*, J Theodore . 2011.

128 [Martinez-Penate ()] *El Salvador: Sociología General*, O Martinez-Penate . 2004. San Salvador. Editorial Nuevo
129 Enfoque

130 [Lopez and Rodolfo ()] *Introducción al Sistema Económico*, M Lopez , J Rodolfo . 2010. San Salvador.
131 Universidad Pedagógica de El Salvador

132 [Lindo-Fuentes ()] *La economía de El Salvador En El Siglo XIX*, H Lindo-Fuentes . 1990. San Salvador. Biblioteca
133 de Historia Salvadoreña.

134 [Panate ()] *La trampa de la deuda: Del Sistema capitalista y la economía salvadoreña*, S A Panate . 2012. San
135 Salvador. Talleres Gráficos, UCA.

136 [Theodore ()] ‘Learning organizations, the American employee and manager, and the developmental role of the
137 social sciences’. J Theodore . *Global Journal of Management and Business* 2012. 12 (4) .

138 [Lopez ()] ‘Los Estancos’. Hugo Lopez . Las Prácticas Monopólicas Y Las Rentas Del Estado en El Salvador.
139 San Salvador. Biblioteca de Historia Salvadoreña 2008.

140 [Molinas Y Morales ()] *Los precusores de la independencia*, R Molinas Y Morales . 1981. San Salvador. (Editorial
141 Delgado)

142 [Richmond] *Lyseis Public Policy Publishing, an Imprint of Concrecent LLC*, C A Richmond .

143 [Theodore ()] ‘The impact of religious, social, and economic forces upon the development of management
144 education in Latin America’. J Theodore . *Journal of Third World Studies* 1999. 16 (2) p. .

145 [Arias-Penate ()] ‘Vulnerabilidad Económica, Social, Medio Ambiente y Deuda Social en El Salvador’. S Arias-
146 Penate . *Talleres Gráficos UCA* 2014. (a))